

# Daily Business REVIEW

MIAMI • WEDNESDAY, SEPTEMBER 7, 2005 — \$2.00

VOL. 80, NO. 62

## **BANKRUPTCY**

### Stalking-horse auction planned for Holsum site in Medley

by **Oscar Pedro Musibay**



The Holsum bakery is on almost 13 acres near the Palmetto Expressway.

**I**nterstate Bakeries Corp. plans to auction the 12.7-acre industrial site where the recently shuttered Holsum bakery stands in Medley.

The stalking horse auction allows a single bidder to set the starting price. As part of the auction, IBC will return 2 percent of the stalking horse's bid if someone else submits the winning bid, said Yancey

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# HOLSUM

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Sumner, director of industrial properties with NAI Miami, which is representing IBC in the sale. "He's being reimbursed for his trouble and due diligence."

The deadline for submitting bids used to identify the stalking horse is Oct. 7. NAI will choose the lead bidder by Oct. 17, and the auction will take place a month or two after that.

IBC announced it was closing the 23-year-old Medley plant last spring as part of a bankruptcy reorganization that consolidates Florida operations in Orlando and Jacksonville.

"Many of the assets are being auctioned off for sale, and that will become part of the settlement and the Chapter 11 once a plan for reorganization is put together," company spokeswoman Sandi Sternberg said.

As part of the restructuring, Kansas City-based IBC is selling facilities at the same time in West Palm Beach, Key West and Melbourne. Other sites are being sold nationally. A store building in Las Vegas is being converted into lofts as part of a mixed-use project.

The Medley site on the southwest corner of the Palmetto Expressway and Okeechobee Road is zoned for heavy industrial use and has sparked the interest of industrial and retail developers, Sumner said.

"We've been approached by all kinds of people, including users who need heavy industrial," Sumner said. "And we had some retailers looking at it."

NAI president Jeremy Larkin said he is not surprised by the interest from retailers because the site is surrounded by big box outlets, including a Wal-Mart Supercenter and BJ's Wholesale Club, which have been generating nine-figure annual sales.

The site, which was used as a commercial bakery and distribution center, has a 180,000-square-foot building

with a rail spur alongside the property. Holsum used railroad cars to ship in flour, which was vacuumed into silos.

Sumner said an environmental issue involving an underground storage tank will be mitigated by March 2008, and an environmental consultant told IBC that "no further action" would be needed.

CB Richard Ellis industrial specialist Wayne Schuchts said he has shown the site to a prospective industrial user and a prospective developer that considered selling the building as a condo warehouse, but neither party could make the site work for them.

He said the site poses some challenges because of access issues and the sprawling building's design is not suitable for modern distribution needs. But the size of the property and its location has prompted a great deal of interest.

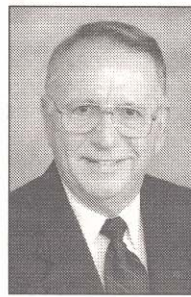
"It's all about supply and demand," Schuchts said. "There is a lot of demand and a little supply."

IBC, the nation's largest wholesale bread and cake distributor, is best known for its Wonder bread and the 75-year-old Twinkies brands.

The company estimates the Florida consolidation will cost \$10 million, including \$2 million in severance pay with the loss of 600 jobs statewide.

IBC filed for bankruptcy protection almost a year ago, citing declining sales, high fixed costs, excess capacity and rising cost for health care, pensions, ingredients and energy. ♦

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Sumner